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Financing of the United Nations Mission in East Timor

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Report of the Secretary-General

Summary

The present report contains a request for an additional appropriation in the amount of $26,913,800 gross ($26,499,800 net), and assessment in the amount of $23,241,600 gross ($22,827,600 net), for the United Nations Mission in East Timor (UNAMET). A budget performance report covering the period from 5 May through 30 November 1999 is also provided.

By its resolution 54/20 of 29 October 1999, the General Assembly revised the level of the initial appropriation for UNAMET for the period from 5 May to 30 September 1999 to a total amount of $54,428,400 gross ($52,941,100 net). In the same resolution, the Assembly also authorized the Secretary-General to enter into commitments up to $28,037,100 gross ($27,080,700 net), in addition to the commitment authority of up to $10 million which had been granted by the Advisory Committee on Administrative and Budgetary Questions on 9 September 1999. The total financial provision available for UNAMET from 5 May through 30 November 1999 amounted to $92,465,500 gross ($90,021,800 net).

Expenditures for the entire period totalled $81,342,200 gross ($79,440,900 net), resulting in an unencumbered balance of provisions of $11,123,300 gross ($10,580,900 net), inclusive of in-kind voluntary contributions received.

The request for an additional appropriation in the amount of $26,913,800 gross ($26,499,800 net), represents the difference between overall expenditures of $81,342,200 gross ($79,440,900 net) and the initial appropriation of $54,428,400 gross ($52,941,100 net). The initial appropriation was made up of the initial assessment of $7,155,000 gross ($5,667,700 net) and the budgeted voluntary contributions of $43,834,700 in cash, and $3,438,700 in kind.

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The requested assessment of $23,241,600 gross ($22,827,600 net) reflects the above requested additional appropriation net of the additional in-kind voluntary contributions of $3,672,200.

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I. Introduction

1. Having considered the report of the Secretary-General of 21 September 1999 on the financing of the United Nations Mission in East Timor (A/54/380) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/54/406), the General Assembly, in its resolution 54/20 of 29 October 1999, approved a revised appropriation totalling $54,428,400 gross ($52,941,100 net) for UNAMET for the period from 5 May to 30 September 1999. Taking into account the voluntary contributions to the Trust Fund for the Settlement of the Question of East Timor in the amount of $43,834,700 and in-kind contributions valued at $3,438,700 for the same period, the General Assembly decided to apportion the amount of $7,155,000 gross ($5,667,700 net) among Member States, in accordance with the composition of groups set out in paragraphs 3 and 4 of Assembly resolution 43/232 of 1 March 1989, as adjusted by the Assembly in its resolutions 44/192 B of 21 December 1989, 45/269 of 27 August 1991, 46/198 A of 20 December 1991, 47/218 A of 23 December 1992, 49/249 A of 20 July 1995, 49/249 B of 14 September 1995, 50/224 of 11 April 1996, 51/218 A to C of 18 December 1996 and 52/230 of 31 March 1998 and its decisions 48/472 A of 23 December 1993 and 50/451 B of 23 December 1995, and taking into account the scale of assessments for the year 1999, as set out in its resolution 52/215 A of 22 December 1997.

2. By its resolution 54/20, the General Assembly also authorized the Secretary-General to enter into commitments up to $28,037,100 gross ($27,080,700 net), in addition to the commitment authority up to $10 million granted by the Advisory Committee on 9 September 1999, for the requirements of the Mission for the period from 1 September to 30 November 1999, pending the submission of a revised budget by the Secretary-General. As indicated in annex II to the report of the Secretary-General (A/54/380), voluntary contributions in kind valued at $2,752,200 were included in the requirements for the same phase of the Mission.

3. Therefore, the overall financing provision granted by the General Assembly in its resolution 54/20 for UNAMET from 5 May through 30 November 1999 amounted to $92,465,500 gross ($90,021,800 net), including budgeted voluntary contributions in kind totalling $6,190,900.

II. Performance report for the period from 5 May to 30 November 1999

4. As indicated in annex I to the present report, cumulative expenditures in the amount of $81,342,200 gross ($79,440,900 net) have been recorded for UNAMET. Taking into consideration the budgeted voluntary contributions in kind, the resulting unspent balance amounts to $11,123,300 gross ($10,580,900 net). Annex II provides supplementary information on significant variances.

5. A list of in-kind contributions received by UNAMET with their respective estimated value is contained in annex III. This reflects the additional in-kind contribution of $920,000, which raised the estimated value of in-kind contributions from $6,190,900 to $7,110,900.

6. Following the events after the announcement of the results of the popular consultation, military and civilian personnel were relocated from East Timor to Darwin in mid-September 1999. While many of them remained in Darwin until the resumption of activities in East

Timor, a number of them were redeployed to other peacekeeping missions or were repatriated on expiry of their contracts. The deployment of additional personnel was very gradual owing to the need to arrange for the provision of adequate housing. The damage caused to other infrastructure also delayed the full resumption of activities until December 1999, resulting in savings in a number of items.

III. Action to be taken by the General Assembly

7. The General Assembly is hereby requested to take note of the performance report for UNAMET for the period from 5 May to 30 November 1999.

8. On the basis of the actual expenditures of the Mission, the General Assembly is also requested to appropriate an additional amount of $26,913,800 gross ($26,499,800 net), which is the difference between overall expenditures of $81,342,200 gross ($79,440,900 net) and the initial appropriation of $54,428,400 gross ($52,941,100 net). The initial appropriation was made up of the initial assessment of $7,155,000 gross ($5,667,700 net) and the budgeted voluntary contributions of $43,834,700 in cash, and $3,438,700 in kind.

9. Furthermore, given the additional voluntary contribution in kind ($3,672,200) received in phase II of the Mission, an additional assessment in the amount of $23,241,600 gross ($22,827,600 net) is hereby requested, utilizing the same scale referenced in paragraph 12 of General Assembly resolution 54/20. The following table shows the derivation of the assessment amount requested:

	Gross	*Net*
	(Thousands of United States dollars)	
Budgetary provision		
Appropriation (resolution 54/20)	54 428.4	52 941.1
Commitment authority by the Advisory Committee	10 000.0	10 000.0
Commitment authority by the General Assembly (resolution 54/20)	28 037.1	27 080.7
Total	**92 465.5**	**90 021.8**
Financing and budget implementation		
Voluntary contributions in cash (as noted in para. 9 of resolution 54/20)	(43 834.7)	(43 834.7)
Voluntary contributions in kind (as noted in para. 9 of resolution 54/20)	(3 438.7)	(3 438.7)
Assessment (resolution 54/20)	(7 155.0)	(5 667.7)
Unencumbered balance	(11 123.3)	(10 580.9)
Amount to be appropriated	**26 913.8**	**26 499.8**
Additional voluntary contributions in kind (A/54/380, annex II)	(3 672.2)	(3 672.2)
Amount to be assessed	**23 241.6**	**22 827.6**

Annex I

Performance report for UNAMET: summary statement

(Thousands of United States dollars)

Category of expenditure	*Budgetary provision*			*Expenditure*	*Variance*
	5 May to 30 Sep. 1999 (a)	*1 Sep. to 30 Nov. 1999 (b)*	*TOTAL (c)=(a)+(b)*	*(d)*	*(e)=(c)-(d)*
I. Military personnel costs					
1. Military liaison officers	798.7	2 864.9	3 663.6	2 752.9	910.7
2. Contingent-owned equipment (Level 2 field hospital)	-	100.0	100.0	-	100.0
Total, category I	**798.7**	**2 964.9**	**3 763.6**	**2 752.9**	**1 010.7**
II. Civilian personnel costs					
1. Civilian police	4 158.4	3 203.5	7 361.9	4 857.2	2 504.7
2. International and local staff	12 072.3	7 936.5	20 008.8	15 515.7	4 493.1
3. United Nations Volunteers	4 849.4	962.8	5 812.2	5 811.5	0.7
Total, category II	**21 080.1**	**12 102.8**	**33 182.9**	**26 184.4**	**6 998.5**
III. Operational costs					
1. Premises/accommodation	1 143.1	897.5	2 040.6	2 274.3	(233.7)
2. Transport operations	11 720.4	9 240.7	20 961.1	19 639.2	1 321.9
3. Air operations	4 631.6	1 656.6	6 288.2	5 803.3	484.9
4. Communications	2 451.0	3 762.0	6 213.0	6 106.0	107.0
5. Other equipment	1 924.1	1 964.1	3 888.2	3 895.6	(7.4)
6. Supplies and services	1 505.3	664.9	2 170.2	1 304.1	866.1
7. Air and surface freight	-	770.0	770.0	667.0	103.0
Total, category III	**23 375.5**	**18 955.8**	**42 331.3**	**39 689.5**	**2 641.8**
IV. Other programmes					
1. Election-related supplies and services	3 503.1	-	3 503.1	3 005.9	497.2
2. Public information programmes	745.0	305.0	1 050.0	697.3	352.7
Total, category IV	**4 248.1**	**305.0**	**4 553.1**	**3 703.2**	**849.9**
V. Voluntary contributions in kind	**3 438.7**	**2 752.2**	**6 190.9**	**7 110.9**	**(920.0)**
VI. Staff assessment	**1 487.3**	**956.4**	**2 443.7**	**1 901.3**	**542.4**
Gross requirements	**54 428.4**	**38 037.1**	**92 465.5**	**81 342.2**	**11 123.3**
VII. Income from staff assessment	**(1 487.3)**	**(956.4)**	**(2 443.7)**	**(1 901.3)**	**(542.4)**
Net requirements	**52 941.1**	**37 080.7**	**90 021.8**	**79 440.9**	**10 580.9**

Annex II

Supplementary information on significant variances

Military personnel costs

Provision: $3,763,600; expenditure: $2,752,900; variance: $1,010,700

1. The net unspent balance was realized mainly from under-deployment of military liaison officers and the non-deployment of a level 2 field hospital. A total of 118 military liaison officers were deployed until 30 November 1999, compared to the authorized strength of 300. The savings were partially offset by a higher mission subsistence allowance (MSA) paid to these officers during relocation to Darwin and an increase in the MSA rate applicable in East Timor from $66 to $109 per day. The net savings comprise $670,200 in travel costs, $237,200 in MSA, $3,300 under clothing allowance, and $100,000 provided for the field hospital.

Civilian personnel costs

Provision: $33,182,900; expenditure: $26,184,400; variance: $6,998,500

Civilian police — *variance: $2,504,700*

2. The unspent balance is a result of the delay in deployment of civilian police officers in the mission area. Compared to the authorized strength of 460 officers, only 273 were deployed. The reduced requirements under travel and other costs were partially offset by payment of additional MSA during their relocation to Darwin and the revised MSA rate in East Timor. The savings comprise $1,852,200 in travel costs, $634,200 in MSA and $18,300 in uniform allowance.

International and local staff — *variance: $4,493,100*

3. The savings were the result of under-deployment of international staff, lower expenditure on consultant services, and lower than expected official travel. A total of 174 international staff was deployed to the Mission, compared to the authorized strength of 316. These savings were partially offset by an additional requirement in the amount of $750,000 to settle claims from staff members for loss of their personal belongings. In addition, in September 1999, the United Nations Security Coordinator authorized hazard pay for the international and local staff deployed to East Timor. Other unbudgeted expenditures included MSA at the Darwin rate during the relocation of staff, the increase in the MSA rate for East Timor, and payment of living allowance to local staff and their dependants relocated to Darwin. The unspent balance comprises $3,163,200 in international staff costs, $642,000 in consultant fees and other costs, $3,900 in overtime, $495,300 in MSA and $333,200 in travel cost. These savings were partially offset by an over-expenditure of $144,500 in the local staff cost.

Operational costs

Provision: $42,331,300; expenditures: $39,689,500; variance: $2,641,800

Premises/accommodation — *variance: ($233,700)*

4. The increase under this item is attributable to additional requirements for the purchase of materials for temporary accommodation and repairs to the damaged office premises.

Transport operations — *variance: $1,321,900*

5. The decrease under this heading is a result of favourable prices and exchange rates for vehicles, and lower than estimated freight cost, fuel price and rental of trucks. The net savings consist of $637,900 in cost of vehicles, $185,000 in freight charges, $85,000 for rental costs and $414,000 for fuel and lubricant.

Air operations — *variance: $484,900*

6. The unutilized balance for this line item is attributable to lower than estimated costs of aviation fuel ($465,900), accommodation and meals of air crews ($40,000) and the airport services ($40,000). These reduced requirements were partially offset by additional charges for long haul flights from Brindisi to East Timor of $61,000.

Communications — *variance: $107,000*

7. The savings under this heading result from marginally lower than estimated prices of various communications supplies and equipment.

Supplies and services — *variance: $866,100*

8. The unspent balance is derived from savings relating to self-sustainment level 1 dental and level 2 medical treatment and blood supply in connection with the non-deployment of the level 2 hospital ($886,700), and lower cost of vaccination negotiated by the United Nations for the staff deployed in East Timor ($460,500), offset by additional requirements for other supplies and services of $481,100.

Air and surface freight — *variance: $103,000*

9. The decrease is a result of lower equipment purchases combined with lower freight charges than anticipated.

Other programmes

Provision: $4,553,100; expenditure: $3,703,200; variance: $849,900

Election-related supplies and services — *variance: $497,200*

10. Instead of setting up its own data-processing centre, the Mission decided to avail itself of contractual services for compiling data on voters. As a result, savings of $999,700 from the data-processing equipment and other associated equipment for registration of voters are partly offset by the cost of the contractual arrangements with a commercial enterprise ($674,000). In addition, the cost of external voting organized through the International

Organization for Migration (IOM) was lower than originally estimated, resulting in a saving of $171,500.

Public information programmes — *variance: $352,700*

11. The unencumbered balance under this heading has been realized because of lower than estimated costs for radio and television programming and non-purchase of a radio production studio.

Voluntary contributions in kind

Provision: $6,190,900; expenditure: $7,110,900; variance: ($920,000)

12. The additional in-kind contribution valued at $920,000 relates to the office accommodation for UNAMET headquarters provided free of charge by the host Government.

Annex III

Voluntary contributions in kind received by UNAMET

(Thousands of United States dollars)

			Estimated value
1.	Office accommodation for UNAMET headquarters in Dili		920.0
2.	Use of airbase and office space in Darwin		355.0
3.	Twenty-eight 4x4 vehicles		420.0
4.	Air operations		
	Helicopters (cost of flight hours)	3 240.0	
	Positioning/repositioning of helicopters	120.0	
	Painting/preparation of helicopters	15.0	
	Accommodation and meals for air crews	180.0	
	Airport traffic control and services	180.0	
	Subtotal		**3 735.0**
5.	Voting materials in East Timor		900.0
6.	Medical evacuation service		560.0
7.	Nine start-up kits of medical supplies		131.7
8.	Fifty units of air-conditioners		45.0
9.	Other supplies (maps, ration packs, mosquito nets, sleeping bags, camp cots and malaria medicine)		44.2
	Total		**7 110.9**

Note: Additional voluntary contributions in kind for which there was no budgetary provision will be duly reflected in a footnote to the financial statements.